MONGOLIA CONFLICT VULNERABILITY ANALYSIS:

Background Paper No. 5 in preparation for USAID/Mongolia's 2004-2008 strategy.

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1 INTRODUCTION

This assessment evaluates current and potential sources of conflict in Mongolia and the implications for USAID programming as it prepares a new strategy covering the period 2004 through 2008. The framework of the assessment is based on USAID policy and guidance for assessing potential sources and preventing conflict. Although the potential for violent conflict is low, there are many ways in which conflict potentially affects Mongolia's economic and political development. Much of USAID's programming deal directly with sources of potential conflict. Sources of conflict, in turn, may influence desired results.

Mongolia's vulnerability to widespread violent conflict is extremely low, both in its relationships with its two large neighbors and within its own population. Yet potential sources of conflict remain, especially given the widespread violence that occurred during the 1930s and the fact that Central Asia historically has experienced periods of great upheaval and change.

1.1 Background – past conflicts

In contrast to the present day, historically Mongolia has been associated with many conflicts. The tensions between the nomadic Mongols and the sedentary agrarian populations in China are well known. Internal feuds and wars over territory and wealth were a feature of Mongolia for centuries. The swath of destruction associated with the rise of the Mongol Empire is widely known, reaching as far as Hungary and the Middle East. The end of the Mongol Empire was also associated with internal conflict and a return to conflict with China.

In the past century, episodes of widespread violent conflict swept Mongolia between 1911 and 1921, and then as a socialist government consolidated its power. Between 1911 (when Mongolia declared its independence from China), and 1921 (when Mongolia became a socialist republic closely linked to the Soviet Union), Mongolia was caught up in widespread instability and violent conflict as Mongolians, Chinese, and Russian imperialists and communists vied for control of Mongolia's vast and strategically important territory.

Mongolia's Soviet-backed revolution in 1921, declaration of independence in 1924, and the subsequent imposition of Soviet policies initiated a period of widespread violence. The first phase involved widespread hunger and discontent due to Soviet-enforced collectivization of livestock leading to violent rebellion from 1929-32.[1] This was followed by a series of Soviet-inspired purges and executions against Mongolian religious and political leaders, resulting in the deaths, imprisonment, and exile of an estimated 35,000-100,000 people from 1932 to the early 1940s. The purges included the executions of at least two prime ministers, as well as thousands of monks and intellectuals. An attempt by the Japanese to occupy Mongolian borderlands in eastern Mongolia in the spring and summer of 1939 led to a large scale military confrontation between Soviet and Mongolian troops, on one side, and Japanese, on the other. More than

25,000 Japanese, Soviet, and Mongolian troops died as result of the little known incident that preceded World War II.

1.2 Conflict since transition

By contrast, Mongolia's transition to democracy in 1990 was almost completely devoid of violence. Large public demonstrations led the government to agree to democratic elections. These in turn resulted in the peaceful transfer of power to a new, post Soviet government.

In recent years, fundamental changes in social, economic, and political relationships, in the body of law and institutions that govern these relationships, and in public understanding of new individual rights and responsibilities have changed potential sources of conflict. Greatly increased individual freedoms, the openness of Mongolia's society to other countries after years of relative isolation, the reduced role of the state both in its power to exert coercive force and in institutions to address and resolve disputes, large disparities in living standards, and variable access to information about laws and individual rights and responsibilities under them have dramatically changed Mongolia's political and economic landscape.

In contrast to its Central Asian neighbors, dissent toward government is expressed and largely tolerated. The last three sets of parliamentary and presidential elections have been free and fair, resulting in peaceful changes of government. At the same time, rising inequalities, corruption, and economic disparities between the political elite and the rest of the country are emerging as potential new sources of dissatisfaction and possible conflict.

1.3 Mongolia today

Mongolia is practically devoid of serious ethnic and religious tensions. Unlike many developing and transition countries, Mongolia's population is quite homogeneous in terms of ethnicity, culture, and religion. Over 80 percent of the population are of the Khalkha ethnic group, and another 10 percent comprise closely related ethnic and cultural groups. Kazakhs represent the most significant ethnic minority (5 percent). Treatment of the Kazakh minority has been good, and Kazakhs are regularly represented in Parliament and government.[2]

Mongolia's Constitution provides for the freedom of religion, and the government has generally respected this provision in practice. Although Mongolia does not have an official state religion, the population is overwhelmingly Buddhist. The Kazakh minority is mostly Moslem. There are also increasing numbers of Christian missionaries working in the country. There are virtually no reports of religious-based violence, although there are reports of a lack of transparency and problems of harassment and demands for bribes in the registration process, required under Mongolian law, of religious groups.[3]

2 POTENTIAL SOURCES OF CONFLICT

2.1 International and regional conflict

The potential for serious international conflict with Mongolia's two neighbors is extremely low, at least over the short and medium term. Since transition, Mongolia has followed a so-called "3rd neighbor" foreign policy, emphasizing good relations with its two large neighbors, Russia and China, while at the same time cultivating improved political and economic relations with the West, especially with the U.S. and Europe, and with East Asia (particularly Japan and Korea). Mongolia unilaterally declared its nuclear free status in 1992.

The stability of Mongolia is in the interests of both China and Russia. Both have little to gain and much to lose from any sort of military aggression toward Mongolia, and have instead focused their attention on expanding their political and economic influence on Mongolia. Both are watchful over increased Western influence in the country and have taken measures to increase economic cooperation and political attention. In particular, the recent string of high level Russian visits including President Putin and Prime Minister Kasianov demonstrates increased Russian attention to its neighbor.

The Chinese and Russian government are in relatively firm control of their border areas with Mongolia. At this point, it seems unlikely that internal ethnic or political conflicts in the area would spill over into Mongolia. Although there have been sporadic conflicts in recent years between Uyghur and other minorities and Chinese authorities in Xinjiang, it such conflicts would probably not affect Mongolia.

Improved political and economic relations between China and Russian further minimize the potential for regional conflict, while increasing Mongolia's fears of economic marginalization at the hands of its large neighbors. Mongolians point to the decision in 2001 for a new oil pipeline from Russia to China to by-pass Mongolia, despite this necessitating a lengthy and costly detour, as the most tangible example of grounds for Mongolian concern. Privately, officials also note the closure of Mongolia's border with China for more than 24 hours, officially due to computer malfunctions but coinciding with the visit of the Dalai Lama to Mongolia in fall 2002, as representative of Mongolia's vulnerability to China. This brief incident highlighted vulnerability resulting from Mongolia's increasing reliance on the port of Tianjin for outgoing and incoming trade. Observers also note China's failure to follow up on discussions of connecting a proposed new railway link through eastern Mongolia, pressure on Mongolia to join the "Shanghai Group," high dependency on Russia for energy imports, and recent and frequent reminders by Russian officials over Mongolia's supposed Soviet-era debt (equivalent to 10 times of Mongolia's annual GDP) as signs both of Mongolian vulnerability to her two large neighbors and increasing efforts of both neighbors to maintain their political and economic influence over the country.

Reversing the almost exclusive focus of Mongolian trade on the Soviet Union between 1921 and 1990, China has become increasingly important to Mongolia for trade and

investment. Whereas China accounted for only 1-2 percent of Mongolian exports and imports in 1990, Mongolia has become increasingly dependent on China in recent years. China is now the single largest foreign investor in Mongolia, and Mongolia has become increasingly reliant on China for trade.[4]

There are occasional reports of conflicts and violence along the border. However, they are generally limited to incidents involving smuggling and theft of livestock and natural resources. Mongolian border troops regularly participate in joint border exercises with Chinese and Russian troops, and official border relations are good.

Although Mongolia is not physically distant from the Korean peninsula, nor from Central Asia, the lack of direct transportation corridors and large geographic barriers minimize the possibility of regional conflicts in these areas affecting Mongolia. At this point, Mongolia is a quiet part of a large and volatile region stretching from a potentially volatile Korean peninsula to a fractured and unstable Afghanistan. In fact, a case could be made that Mongolia is almost the only part of Central Asia that has enjoyed a high degree of peace and stability in recent years.

2.1.1 Transnational organized crime. Comprehensive and readily verifiable information is lacking. However, reports from official and unofficial sources attest to a growing presence of organized crime in Mongolia, with linkages to Russian and Chinese organized crime. In particular, reports say that Mongolia is increasingly becoming a location for money-laundering, a conduit for drug trafficking, mostly from Russia to China, and occasionally for human trafficking. A recent report from the UN Office for Drug Control and Crime Prevention cites Mongolian police estimates that there was an "18 percent increase in organized crime activities in 2001 and 31 percent increase between January and September of 2002." It also notes "deep concern [of officials in the Ministry of Justice, police, prosecutor's office, and judiciary] that organized crime groups based in China and Russia were increasing their presence in Mongolian soil at unprecedented rates." "Mongolia's long, unprotected borders with Russia and the People's Republic of China make it particularly vulnerable to smuggling and narcotics-trafficking." [5]

Given that Mongolia has so far escaped the level of organized crime experienced elsewhere in the former Soviet bloc, these reports are cause for concern. Mongolia's fledgling legal structure, small size, weak economy, problems of law enforcement and high levels of poverty would appear to have a high vulnerability to organized crime. "The weakness of the legal and financial structures, however, leaves Mongolia vulnerable to exploitation by drug traffickers and international criminal organizations, particularly those operating in China and Russia."[6] Weaknesses in the banking sector, including the limited ability of the central bank and law enforcement authorities to track international financial transactions, makes Mongolia potentially attractive to money laundering operations. However, the relatively low sophistication of the banking sector in processing international transactions may be a strong deterrent to the development of significant money-

laundering operations. Similarly, the small size of Mongolia's population and economy limit its attractiveness to other types of organized crime.

The Ministry of Justice and other responsible authorities increasingly express concern over the presence of organized crime and have taken concrete steps to deal with the issue. Two Mongolians linked to budding local organized crime activity were arrested and convicted over the past year. The Mongolian authorities are actively building links and information sharing with law enforcement agencies in neighboring countries and with international crime prevention organizations. Mongolia has expressed its desire to ratify and adopt the Transnational Organized Crime Convention, and to take steps to build the capacity of the police, prosecutor, and judiciary to deal with organized crime.

2.2 Potential domestic sources of instability and conflict

It is must be emphasized that Mongolia has enjoyed a peaceful and widely supported transition to democracy and a market economy. Surveys routinely show that four out of five Mongolians continue to support both the economic and political transition, despite severe economic hardships experienced by a large segment of the population.

Mongolia has conducted three sets of free and fair parliamentary and presidential elections since transition; the legal system and media are functioning despite strains and problems; there is rapid growth in the number of civil society organizations; and the transfer to market economic policies and institutions has been swift and effective,. More than 70 percent of the economy is now in private hands. Freedom House's 1999-2000 survey on political openness described Mongolia as "the only post-communist country outside of Eastern Europe to receive a rating that entitled it to classification as a 'free' polity."[7]

Conflict exists as in any society, but the vast majority of conflict in Mongolia in recent years has been resolved peacefully within the boundaries of the democratic process. Although the following section discusses potential sources of conflict, it is not intended to provoke undue concern over the potential for violent conflict. This potential is in fact very low. However, it is important to understand existing and potential sources of social, economic, and political tension and conflict. A better understanding of these issues can in turn shape a more effective strategy and better program interventions.

2.2.1 Increasing socio-economic inequalities. Transition has been marked by an increasing dichotomy between incomes and economic opportunities of residents, both among and between people in living rural and urban areas. Slow economic growth in recent years, largely due to low international prices for key exports and reduced agricultural production due to natural disasters, has exacerbated disparities and limited the success of attempts to spur economic growth and reduce high and persistent levels of poverty.

Gaps in income and wealth appear to be growing. The Gini coefficient of income inequality rose 13 percent between 1995 and 1998, and across Mongolia, 35.6 percent of the population remained below the poverty line in 1998. Public opinion polls and other research routinely rank unemployment and poverty at the top of the list of important problems facing Mongolia.[8] The World Bank's Participatory Living Standards Assessment (PLSA) conducted in 2000 suggests that the percentage of population in the mid-income levels is decreasing as more people fall into poverty than escape from it. Though there has been some improvement since the mid-1990s, per capita income still has not reached 1990 levels. Official levels of unemployment are low at 4.6 percent, but real rates of unemployment are thought to be significantly higher.

The PLSA documents increasing sources of vulnerability, including economic, environmental, social, and physical insecurity, among large segments of Mongolia's population. The PLSA links high levels of unemployment and poverty with increased alcohol abuse, rising crime (especially theft), domestic violence, and marital breakdown.[9] Reported crime increased markedly in the early 1990s, but the number of crimes officially reported per year has been relatively stable since 1995. However, increased economic inequality and insecurity has not led to large scale civil unrest, conflict, or violence, and it seems quite unlikely to do so in the future. Rather than contributing to conflict, violent or otherwise, individual concerns over poverty and economic inequality have been expressed through peaceful local means of conflict resolution, the legal system, and elections.

Low average incomes and few opportunities for skilled labor contribute to disparities. Per capita income remains below 1990 levels. Though a large majority of Mongolia's working age population is educated and literate, there are relatively few opportunities for skilled labor. Livestock herding, the informal sector, and, increasingly, mining account for large percentages of jobs created since 1990, but provide relatively few highly skilled positions. Though manufacturing activity is picking up, and Mongolia has a surprisingly dynamic ICT sector, creation of new skilled jobs has not kept up with the supply of educated workers. The informal sector has grown rapidly both as a source of employment and income, yet it provides relatively few opportunities for skilled labor. Master's degree holders drive taxi cabs, and graduates of top Soviet Union's educational institutions can be found doing menial labor to make ends meet. Others join in the growing numbers of Mongolians seeking employment in Korea, Japan, Taiwan, Europe, and the U.S.

Economic and social disparity between urban centers and the rest of the country is also a cause for concern. Residents of Ulaanbaatar in particular have far more economic opportunity, social services, and access to information as well as links to the outside world. As many as one million people, nearly 40 percent of the country's population, reside in the bustling capital city. Ulaanbaatar's traffic jams, building construction, internet cafes, universities and a booming informal sector

provide a stark contrast to typical provincial capitals ("*aimag*" centers) and rural towns, and to the everyday life of Mongolia's many livestock herders.

In contrast, *aimag* centers have the highest levels of poverty in the country, and most have been slow to recover from the closure of many state-subsidized enterprises following the collapse of the Soviet Union and associated subsidies and trade. Livestock herders, who make up more than a third of the population, contend with increased numbers of herders and livestock since 1990. Associated problems include increased competition for pastures and water sources, over-grazing, and vulnerability to natural disasters. Herders are also isolated from markets, social services and from information, primarily due to high transport costs. Although poverty levels among herders are lower than in provincial capitals and towns, a majority of herders live at or below a basic subsistence level, and those who have prospered economically constitute a small minority.

Rather than provoking widespread disillusionment with Mongolia's fledgling democratic or market economic institutions, these disparities have provoked peaceful reactions. Major political swings in the previous two sets of parliamentary elections are largely attributed to discontent over the slow growth of economic opportunities. The disparities have also prompted increasing rural to urban migration, exacerbated by winter disasters that have resulted in the loss of over 20 percent of the country's livestock in the three past years.

So far, Ulaanbaatar and the central regions of the country have absorbed most of the migrants, although authorities worry about the capacity of municipal systems and institutions to accommodate the new arrivals and the large peri-urban "ger" (the traditional felt yurt of the Mongolian herders) districts that surround Ulaanbaatar and now provide accommodation for around 60 percent of the urban population. But support for the institutions of democracy and the market economy remain strong. Despite hardships, an overwhelming majority (85-90 percent) of residents in both rural and urban populations believe that the 1990 transitions to democracy and a market economy were the right steps.[10]

2.2.2 Land tenure and land distribution. The issue of land tenure, both in rural and urban areas, is one of the most significant sources of potential conflict in Mongolia. Mongolia's lack of a tradition of land ownership, the underdeveloped legal, administrative, and institutional framework for assigning and tracking rights to or ownership of land, the difficult task of effectively enforcing and resolving conflicts over land across Mongolia's large territory, and a lack of citizen participation and education in the land policy making process contribute to the potential for newly introduced land legislation to result in the inequitable distribution of land, widespread disagreement, and, potentially, conflict.

Parliament passed two significant laws governing the use, possession, and ownership of land in June 2002, namely the Land Law and the Law on Land

Ownership. The Land Law, which mainly provides for the long-term leasing of urban and agricultural land, was widely published in draft form and widely debated months before it was adopted by Parliament. In contrast, the second law on land ownership was introduced and adopted by the MPRP-dominated Parliament in only two weeks, with minimal time for parliamentary review, discussion, and debate, and no public review or discussion. The Land Ownership Law, and the fast-tracked, closed process by which it was passed, have precipitated national debate and non-violent demonstrations. There is concern on the part of protesters that the laws advantage the well-off and will unfairly exclude groups of people from land possession.

Opposition politicians and NGO representatives express the opinion that the law is not well conceived in both content and process. They say that the law's provisions to grant urban and rural dwellers with fixed, free, allotments of land for family use are unfair, unclear and subject to mis-interpretation, and do not clearly lay out a process that will guarantee fairness and transparency. For example, provisions to grant land to families rather than to individuals and the lack of available land in specific districts of Ulaanbaatar pose significant problems. Furthermore, skeptics express concern that the institutional and administrative resources to implement the law are far from adequate. Problems include the absence of a complete cadastral survey (this is in the process of being created), the lack of accurate property maps, poor administrative systems, and a shortage of trained personnel to assign and track land rights, and deal with thousands of rural and urban residents who will likely apply for land beginning in May 2003.

If the government proceeds with implementation of the Land Ownership Law as planned in May 2003, problems may emerge in dealing the volume of applications (virtually all families are entitled to apply), ensuring a transparent process, and fairly assigning rights to land. It is rather unlikely, although possible, that these tensions will lead to conflict. Much depends on the government's conduct in implementing the laws.

Both laws touch on the question of grazing rights to pasture land (privatization of pasture land is forbidden by the Constitution). However, it is still unclear exactly how this issue will be resolved. Conflict over pastures has become "endemic in many areas, particularly in central aimags and the Khangai region,"[11] according to the World Bank's PLSA. A report on pasture conflicts in the Gobi region prepared with the support of the Asia Foundation describes frequent conflicts over pastures and water sources, particularly in northern and central regions of the country. Competition over pastures, and conflict have increased since transition due to increases in the number of herders and livestock, their concentration near urban centers, transportation corridors, and other market access points, and breakdowns or weaknesses in pasture management systems that fall largely to the responsibility of poorly resourced local governments. Most conflicts are resolved extra-legally and peacefully, according to the study. But the lack of an

enforceable system of rights to pastures and water sources contributes to conflict, over-grazing, pasture degradation, and vulnerability of livestock and herding families to winter disasters. [12]

2.2.3 Lack of transparency, corruption, problems with the rule of law. Problems with transparency, accountability, and corruption in the government and private sectors are also potential sources of tension and conflict. Transparency International's 1999 Corruption Perceptions Index ranked Mongolia 43rd out of 99 countries. Public opinion surveys of corruption in business and the economic costs of corruption in Mongolia conclude that corruption has become a widespread phenomenon, that it is increasingly organized and systematic, and that it creates an unhealthy and unfavorable environment for business, and undermines incentives for merit-based competition.

The sheer number of laws passed since transition, their conflicting provisions, the fact that many were imported from outside the country, and the relatively weak mechanisms for engaging the public in draft legislation and for sharing legal information reduce transparency and accountability. Limitations in financial and human capacity constrain the executive and judicial branches' abilities to enforce and implement the laws. Taken together, these factors reduce equal treatment of citizens before the law and create a favorable environment for corruption. A situation in which wrongs are not redressed can lead to conflict, instability, and even violence.

These sources issues are more likely to be dealt with at the ballot box than through conflicts. However, inequalities in the allocation of resources and opportunities and the lack of equality in implementing and enforcing laws are potential sources of tension and conflict because they potentially exacerbate political, social, and economic divisions and groups that are excluded from access to resources. Weak rule of law and lack of transparency and accountability create a favorable environment for corruption. If left untended, they can also lead to a political culture that no longer represents basic principles of equality and merit-based competition that are essential to the success of the market economy and democracy.

2.2.4 Potential for politically based violence/conflict. Politically generated instability and violence have been virtually absent from Mongolia's transition. Although party politics resulted in four different cabinets, and prolonged political stalemates over the appointment of new prime ministers during the Democratic Coalition's rule from 1996-2000, these political conflicts were not accompanied by unrest or violence. The only significant possible exception was the murder of Sanjaasuren Zorig, a leader of the pro-democracy movement. He was brutally killed on October 2, 1998, the same day that he was nominated to become Prime Minister. The case still has not been solved.

The rule of the Mongolian People's Revolutionary Party (MPRP), which captured 72 of 76 seats in July 2000 parliamentary elections, has generated concern from

critics that the MPRP monopoly on power is excluding opposition voices from national political and policy discussion, and limiting economic opportunities for non-MPRP-affiliated businesses and economic interests. Parliamentary elections scheduled for summer 2004 will indicate if the ruling party's overwhelming control on the formal handles of power lasts for another four years.

2.3 USAID efforts

USAID strategic objectives and programs to support economic growth and democratic governance directly address potential sources of tension and conflict. Mongolia's constitution and body of law provide a framework of rights and responsibilities and means of resolving disagreement and conflict through discussion and political participation rather than through violence. USAID programs have both contributed to this framework and to strengthening the institutions that implement it, including the judiciary, political parties, parliament, and rural civil society. The judicial reform project addresses possible sources of conflict by working to improve the efficiency, accountability, and transparency of the judiciary, by building the capacity of legal professionals, and by increasing citizen awareness of their rights and responsibilities in Mongolia's legal system. IRI's Democracy Strengthening project addresses many of these same goals through parliament and political parties. The Economic Policy Support Project's (EPSP) work on the legal and regulatory framework for economic growth also addresses issues of equity, participation, and transparency. For example, the EPSP provided substantial consulting work to parliament on the draft Land Law. It has also assisted in transparency through such measures as the development of a web site for the Prime Minister's office (www.open-government.mn)

Programs to accelerate economic growth address potential sources of conflict that arise from poverty, unemployment, and economic marginalization. USAID funded projects – including EPSP, Gobi Initiative, Competitiveness Initiative, and newly established peri-urban project – attempt to accelerate economic growth by contributing to policy, by strengthening economic associations and support institutions, by sharing new models, and by building individual skills and knowledge that bring the benefits of economic growth to broad segments of Mongolians population. While USAID support for privatization is increasing the private sector share of Mongolia's economy, it potentially could also contribute to economic inequality. At the same time, through the Gobi Initiative and the new peri-urban project, USAID has especially targeted segments with the higher risk of economic marginalization. Both projects make economic opportunity for previously marginalized populations an explicit element of the USAID program in Mongolia. They also address the growing issue of rural impoverishment that is fueling the increased migration from the countryside.

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[1] Soviet collectivization, which began throughout most of the Soviet Union in1929, was also extended to Mongolia. Even more so than the Central Asian republics, collectivization of nomadic herders in Mongolia resulted in widespread violent rebellion and conflict. The forced collectivization that began in Mongolia, as in the Soviet Union, in 1928 and 1919 was also accompanied by efforts to move nomadic herders into permanent settlements and to replace Buddhist religious education with secular educational institutions. Mongols, like their counterparts in Kazakhstan and Kyrgyzstan, slaughtered large numbers of livestock rather than relinquish them to the state. The ensuing hunger, fear, and discontent led to widespread rebellion, often led by Buddhist monks, that ultimately required intervention of the Mongolian secret police and army. Unlike the Central Asian republics, however, Stalin, partly as a result of the unrest but largely due to the threat of Japanese invasion, reversed collectivization policies in Mongolia, ending the creation of state farms and collectives, relaxing state monopolies on domestic trade, reducing taxes on livestock, and modifying the policy toward the Buddhist church.

"As might be expected, the results of the collectivization imposed on Mongolia were disastrous, not only the point of view of the people who endured the changes sweeping the country but also from the point of view of the Mongolian and Soviet authorities, who eventually, with personal intervention from Stalin himself, abandoned collectivization in 1932.

"The economic results were similar to other nomadic pastoralist settings into which the Soviets imposed collectivization: "the most tragic, most gloomy period of hunger, commotion, violence, and terror," wrote historians Misshima and Goto of the period in Mongolia from 1929-32. More than 7 million of Mongolia's 17 million livestock were slaughtered, as Mongolians, like their nomadic counterparts in the Soviet Union, destroyed their herds rather than have them taken forcibly by the state.[1] The termination of private trading (primarily by Chinese) resulted in a "goods famine," which was accompanied by hyperinflation exacerbated by the government's printing too much paper money. Collectives were magnets for the worst and laziest workers, and were extremely inefficient and unsuccessful. "Ultimately, conditions became so bad that open rebellion, led largely by monks, began in the northwestern regions of the country and spread more generally to the point that the Mongolian army and secret police, and, according to some sources, the Soviet NKVD, were brought in to quell the rebels with bullets and bombs." (Murphy, George S., *Soviet Mongolia: a Study of the Oldest Political Satellite,* University of California Press, Berkeley and Los Angeles, 1966, p. 125.)

"With the five year plan in tatters, the Mongolian population disoriented and embittered, and Japanese troops on Mongolia's eastern border, Stalin personally intervened. The "left wing adventurers" responsible for the "over-ambitious" plan were purged from both the MNRP and the government. To restore order, plenipotentiary committees weere set up in the aimaks. The socioeconomic plan was dropped, collectivization and the creation of state farms were forgotten, worker cooperatives were abandoned, the monopolies on domestic trade and transport were relaxed, the assault on the church was modified, and the onerous tax on cattle was reduced. It would not be until the 1950s that collectivization would take hold again in Mongolia." (Finch, 1999, p.

[2] Brunn, p. 158. "Kazakh views were taken into account during the Little Hural period by the participation of the ethnic Kazakh, K. Zardykhan, mentioned earlier, and Kazakh concerns were reflected in the constitution."

[3] U.S. State Dept., 2001, p. 9.

[4] Rossabi, p. 39. "Some Mongol problems with China have intensified as economic relations have accelerated, while others have actually diminished. Complaints about Chinese control over the cashmere industry, about adulterated or defective Chinese imports, about the growing number of both overt and covert Chinese investments and joint ventures, about Chinese smuggling of currency, narcotics, and animal products, about unfair competition by Chinese entrepreneurs in certain industries, and about interference in Mongol politics have multiplied in the last third of the 1990s. On the other hand, controversy over Inner Mongolia has receded or at least has not reared up over the same time period. The day-to-day economic issues appear to have generated greater animosity, while the issues of seemingly greater import have dissipated. The former have been based upon and have been precipitated by the contacts between ordinary Chinese and Mongols, and the long-term prognosis seems to be intensification of such enmity. Despite such tensions, Mongolia is becoming increasingly dependent on China for consumer goods and as a market for its raw materials."

[5] UNODCCP, p. 2.

[6] U.S. State Dept., INL, p. 1.

[7] Fish, p. 324.

[8] See Sant Maral Foundation public opinion polls, 1996-2002.

[9] World Bank (2001), p. 25.

[10] Sant Maral, Politobarometer, October 2002.

[11] World Bank (2001), p. 24.

[12] E-Mail Daily News, extract from December, 2002: "A few years ago, there was a big quarrel over pastures between the herders of Govi-Altai and Zavhan aimags.

Now, over 3000 horses from Tuv aimag are reported to have entered the territories of Herlenbayan Ulaan and Bayanhutag soums of Hentii aimag. The local herders said they were furious because pastures had been destroyed under the horse hooves. Fighting is reported to have broken out between the local herders and owners of the horses. The governor of Hurengol baga (administrative unit) of Tugrug soum in Govi-Altai aimag, Ch.Wanchig, is reported to have imposed an in kind tax for every herder that uses the pastures of the baga: A sheep from each family. Tg 286,000 tax was collected in fines from herders of Arhangai aimag for settling for winter in Hushaat of Selenge aimag.

The secretary of the Government Secretariat O.Enhtuvshin stated resolutely that such practices had to be

stopped. President N.Bagabandi, in one of his addresses to herders, also appealed for putting behind the conflicts and for work in harmony to overcome the severe winter, recalls Zuuny Medee."